

**INTELLIGENCE COMMUNITY STAFF**

10 May 1977

NOTE FOR: See List

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FROM : [REDACTED]  
D/OPEI

SUBJECT : PRM-11, Task 3

The drafting group working on PRM-11, Task 3, of which I am a member, will probably start debating structural options for the Community fairly soon.

In order to test my own increasingly tired thinking on this, I have attempted in the attached Terms of Reference to lay out all the reasonably plausible options I can think of and key issues or questions about each (not pros and cons).

I would welcome any comments on them, including arguments pro and con, in which you believe or suspect others might believe.

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Attachment:  
9 May Terms of Reference

**ACTION**

## INTELLIGENCE COMMUNITY STAFF

Distribution (10 May Note on PRM-11, Task 3)

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1 - EO/ICS 25X1A  
1 - SA-D/DCI/IC [REDACTED]  
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1 - [REDACTED] 25X1A  
1 - OPEI/PAID [REDACTED]

1 - D/OPEI PRM-11 Official File  
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## ACTION

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TERMS OF REFERENCE

PRM-11, Task 3, Section 3

"Structural Options"

- Describe each alternative -- in some cases, sub-options -- in terms of:
  - agencies and programs affected
  - who has what kind of power over:
    - agency and national production
    - collection guidance, requirements, priorities, tasking
    - requirements and priorities for future programming
    - programming and budget decisions
    - line control
  - collegial bodies, membership, chairman, how they work, appeals, etc. . . .
- Relate each option, where possible, to criteria discussed in Section I and problems in Section II.
- Consider options in terms of likely and possible consequences, implications, complications, necessary adjustments. Avoid "pro-con" treatment; one man's pro is another's con.
- Should we sniff out any pitfalls with charters, problems with Congress?
- Should we specify arrangements for wartime control or lay out issues for study?

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- A. Status quo, more or less; i.e., based mainly on E. O. 11905 and present organization
1. Status quo, no change
    - Is anybody in favor?
    - Can the present system improve with experience?
    - How would E. O. 11905 work with new structure in DOD splitting Policy and Resources?
    - Can or should DCI change composition or structure of his organs, i.e., Intelligence Community Staff?
    - For this (and other) option, should OMB be let into PRC(I) dealings?
  2. Amend E. O. 11905 to increase DCI power
    - Assure DCI/ICS access to program managers, to task them on program and budget options, studies, without PRC(I) sanction?
    - PRC(I) program and budget is fenced, except for appeal by department to NSC, OMB, President?
    - Should PRC(I) have greater authority in program execution?
    - How would this work with new DOD structure? Will DOD split naturally give DCI more clout?
    - Should DCI change his structure?
  3. Amend E. O. 11905 to protect departmental power
    - DCI-PRC(I) issues broad program guidance, reviews, recommends to departments, may veto initiatives?
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- DOD [REDACTED] submits consolidated Defense intelligence program, including IRA for review; assures that proper cross-program trades within Defense have been made, national and tactical interests balanced?
  - Can PRC(I) assume responsibility for NFIP under this scheme?
  - Would ICS and OMB roles tend to blend?
  - Could broad policy ("adult") issues be seriously addressed?

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B. "Separation" Options; i.e., different authorities responsible for production, collection, resource management

1. Separate DCI from line control of CIA, leave CIA as is.

- What is DCI's main role? Chair PRC(I) and preside over collegial resource management? Under present or amended E. O. 11905? How amended, favoring DCI or departments? Who supports this DCI role, IC Staff?
- Who is in charge of national production? If DCI, how supported? If DCI gets NIO or like staff, is that enough? If DDI goes to DCI, too, does the remainder of CIA make sense?
- Must not product and resource authority be combined to assure meaningful relationship of inputs (resources) to outputs (product)?
- Who is D/CIA? Whom does he report to? If not to DCI (that would be no change), then to NSC (i.e., to Assistant for National Security)? To President? What rank is DCI? What rank is D/CIA? Is D/CIA confirmed by Congress? Does separated DCI have no operational control over DDO?
- Is the DCI the source of national collection guidance, requirements, priorities, tasking? If not, who is? Can such guidance, etc., effectively direct operations of the DDO?

2. Separate DCI from CIA, give him national production supported by NIO element and DDI; national collection guidance, requirements, priorities, supported by COMIREX, SIGINT Committee, HRC; resource management authority (what kind?).

- Does the remainder of CIA make sense? Could DDS&T be parceled out to Defense (major technical collection elements) and to DDO (DDO support)? Should NPIC go to Defense? [REDACTED] to State? How STATSPEC about DCD function?

- What should happen to DDO? To Defense? To State? Self-standing agency reporting to President, NSC for operational control? Who heads, what rank, confirmed by Congress? Would there be a risk that DDO would become a clandestine foreign policy arm of the President, basically apart from national intelligence? Don't we really want to lock DDO into the overall national intelligence system for propriety protection?
  - What are DCI's resource programming and budget powers? Collegial through PRC(I)? Supported by IC Staff? Fenced budgets? Review and veto? Or NFIP funds appropriated to him, much more direct program and budget power?
3. Radical separation option; create three new authorities, separate for national production, national intelligence resource management, running clandestine service; each reports to NSC and President.
- Could create national center for foreign intelligence analysis; its head would be the President's foreign intelligence advisor. Or create a national center for intelligence and national security affairs analysis; could do intelligence plus net assessment and policy analysis. Would not this, in effect, be a major augmentation of the NSC Staff, make it a super-foreign affairs department? Would this attract academic talent? How would objectivity be protected?
  - How would resource manager operate? Through PRC(I) type organ, or with more direct program and budget power? How could he rationalize intelligence programs without direct involvement in production? Would the national analysis and product authority give requirements and priorities to the national resource manager? Or would this put us back where we are today, with weak links between inputs and outputs?
- STATSPEC
- Most of CIA's DDS&T to Defense. [REDACTED]
  - DDO a self-standing clandestine service run by the White House. What risks here?

- How and by whom would current collection requirements be levied? Is there not a risk that sensitive collection would be withheld from an increasingly "academic" analytic shop?
- Would "radical separation" look attractive to outside critics, breaking up the beast?
- Would not DOD end up dominating the whole scene by controlling almost all technical collection and managing its own analytical establishment?

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C. Centralizing Options, with some separation variants

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- 25X1A 1. Give DCI direct program and budget authority (but not line control) over NSA, [REDACTED] handle rest of NFIP via E. O. 11905 system; CIA remains as is.

- This would create an "especially national" program within the NFIP. DCI would, in effect, be its program manager. But line control, except for CIA, would remain with home departments. Is not this like the [REDACTED] now runs?
- Why not bring other elements, like the more national collection programs of the GDIP, into this framework?
- Does not this degree of centralization bring us to the point where DCI -- as resource manager -- should report to and be supervised by a customer's committee, the PRC(I), of which he is not chairman, or even a voting member?

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2. Same as No. 1, except include many collection programs of GDIP; also some IRA, like DSP, Space track.

- Do we not have to comb through the GDIP and Defense IRA to identify those elements that should be rigorously traded-off against other national programs?
- Same questions as No. 1.

- 25X1A 3. Give DCI line control, including programming and budgeting over NSA, [REDACTED]

- How would necessary -- or desirable -- military support be assured? Or should this all move toward civilian status?
- How should responsiveness of this whole to military needs be assured?

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- Why leave out [REDACTED] Some GDIP elements?
- Now we really need a non-DCI customers' board of directors: PRC(I) chaired by SECDEF, Secretary of State, National Security Advisor, or somebody other than DCI. No?

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- Do we not now have to start distinguishing three levels or types of intelligence resource management regimes?

Class 1: Mostly or very national -- CIA, NSA, 25X1A [REDACTED] some GDIP and IRA, even though tactical support is provided.

Class 2: Most departmental, but important participation in national -- DIA, FTD, MIA, etc. (mostly production elements!)

Class 3: Largely tactical collection even though of national value; organic to combat forces or policy operations (like Foreign Service). Type of central management should differ; no?

4. Create National Intelligence Agency (NIA) combining all Class 1 activities under Director of National Intelligence (D/NI)

- D/NI is foreign intelligence advisor to President, national producer, head of NIA, and senior "advisor" on resources related to intelligence in other departments.

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- NSA, CIA, [REDACTED] some GDIP and IRA folded into single agency.

- How to assure military support and personnel?

- Definitely need a new regime for resource management review.

- create a new NSC Committee for Intelligence Policy and Management. It would be the D/NI's "board of directors."

- Members: Defense, State, NSC, OMB, ICS, Treasury, JCS, Vice President. Could be chaired by SECDEF, Secretary of State, Vice President, or National Security Assistant.

- D/Ni not a voting member.
  - D/Ni prepares and submits NIA program and budget to this Committee. Majority plus chairman can direct changes to D/Ni unless overruled by President.
  - D/Ni would "pull together" Class 2 intelligence programs for Committee, review and comment on them. Committee, but not D/Ni, could direct departments to alter Class 2 programs.
  - Class 3 programs would be submitted by departments to Committee and D/Ni for review and comment. Committee could recommend but not direct changes. Only NSC and President could direct.
5. Create NIA as in No. 4, but only for national collection; create separate national intelligence analysis and production agency.
- Questions and issues on collection resource management same as in No. 4.
  - How would national analysis agency task collection and influence its programs? Would not separation of national production and collection lead us back to the same old accusations of irrational collection programs? Would analysis be cut off from sensitive collection? How could the director of a small national analysis center compete with the head of a large national collection effort for the President's ear?
  - Should the head of the national analysis center be on the customers' "board of directors" for the collection program?
  - Should the head of analysis have a role in resources going for analysis in the departments, e.g., DIA, INR. If so, what?
6. Create national analysis agency under NSC; create national collection agency as in No. 5; but put latter under SECDEF as service of common concern.

- This would be the same as putting present DDO and most of DDS&T into DOD. But it would require a unified Defense intelligence management never achieved there.
  - Would not this make DOD a real monopolist of intelligence? Could other consumers, including the national intelligence analysis center, count on DOD's serving them adequately?
7. Same as No. 6, except put analysis under State.
- What about objectivity?
8. Same as No. 7, only put both analysis and clandestine service under State.
- What about objectivity?
  - Could State -- would State run a clandestine service?
  - How could intelligence resources be effectively rationalized when split between two policy departments, one of which has no resource management tradition?
  - Is not this full circle back to B-3?

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Option B-4

Separate the role of national intelligence resource programming and budgeting from the DCI; give task of building consolidated National Foreign Intelligence Program (NFIP) to the Secretary of Defense; the DCI remains head of national production, head and program manager of CIA, and source of national intelligence requirements and priorities.

a. Given the following:

1) DOD has divided intelligence authorities below Secretary of Defense;

2) DOD is not likely to give much scrutiny to CIAP, other non-DOD intelligence programs;

Is not this option basically a return to pre-1971 arrangements when the various programs more or less did their own thing?

b. Given that DOD could structure for and take on the rigorous resource allocation task for the NFIP, what is the case that this should be done in a department where only 5 percent or so goes for intelligence? Because of established PPBS competence (when demonstrated in intelligence?)? Because of [REDACTED] To facilitate rationalization of national-tactical interface?

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c. How would DOD show special competence in trading of resources of DDO, INR, DDI, etc., against DOD intelligence programs?

d. How does one deal with the following challenge to this option: "The reason we are in the present resource management pickle in the first place is that DOD never rationally managed its share when there were no other contenders. Even when, in 1971, the DCI was

given major responsibilities but no effective powers, the DOD dropped the ball. It set up ASD(I) to be sure. But when Executive Order 11905 was drafted, it still appeared to all involved that nobody was effectively managing intelligence resources; hence a bit of power was given to the DCI. DOD typically arranges its intelligence accounts for bureaucratic convenience more than rational management: witness the location of things in Programs 1, 2, and 3; what is in and not in the GDIP; etc.. DOD management has too many other important things on its mind to give intelligence the level of attention it deserves. For example, DIA complains continually about lacking supergrades, yet OSD and other DOD elements are full of them and unoccupied billets, per CSC, are not given to DIA. In short, DOD does not care enough to give the very best to intelligence." If there is any merit to this case, on what basis can one claim that things will get better if only we leave it to DOD?